Stewardship Report

January to December 2010

CHRISTIAN FOUNDATION
FOR CHILDREN AND AGING

President's message

Dear friends,

As we conclude our solidarity walk through 12 Latin American countries covering almost 8,000 miles, I'm encouraged as I see your sponsorship making a difference in the lives of thousands of families across the world.

Walking side by side with families throughout Walk2gether has given me the opportunity to listen to them and hear from them. And what I have heard is hopeful.

I was recently in Bolivia where I observed one of our former sponsored youths who studied agricultural sciences. He now leads a program of food production within one of the mountain communities. This is an individual student who is creating change and creating more food security for an entire community. That sums up CFCA's approach to fighting poverty. We help the individual person or family go from being marginalized to being agents of change in their own situation and in their own family, and then, of course, within the larger community. It's real, and it works.

We have doctors, accountants, and social workers walking with us who grew up as sponsored children, and because of that sponsorship were able to go to school and pursue their dreams. Some of them then come to work with us as social workers, and almost all of them stay connected to CFCA.

Your sponsorship makes this possible. You provide a path out of poverty for families around the world. You provide hope.

And we honor your sacrifice and commitment. You'll see in this report that we continue to be incredibily efficient with the resources you entrust to us. More than 94 percent of CFCA expenses go toward program support. Only 3 percent of our expenses are for administration, and fundraising accounts for just 2.7 percent of our total expenses.

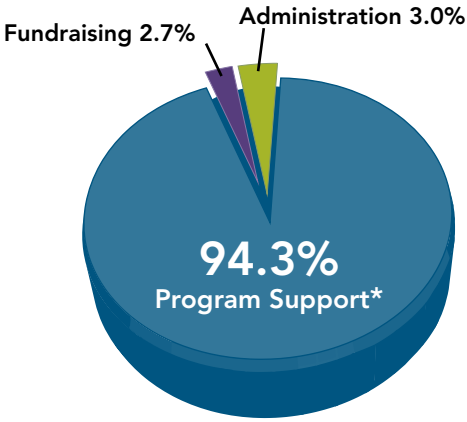
This walk has left me more thankful than ever for your daily sacrifice, and for the courage and determination of the families in our sposorship program. Together, we will see a world free from poverty.

Thank you for walking this journey with us,

Bob Hentzen

Bob Hentzen, President

Financial overview for 2010



* Includes 87.1% project funding and 7.2% U.S.-based program support services

Source: 2010 Financial Statements

Despite a difficult economic climate, total contributions from CFCA's dedicated supporters actually increased from the previous year.

In 2010, CFCA's total contributions and revenues exceeded $109.3 million. CFCA sponsors and donors showed tremendous commitment to our mission, and the CFCA community is profoundly thankful.

CFCA assigns the highest reasonable amount of available resources to the direct benefit of sponsored members. A total of $93.4 million was disbursed in direct assistance to our projects for the benefit of the children, youth and aging persons we serve.

Total program support represented 94.3 percent of expenses, and included both project funding of 87.1 percent and 7.2 percent for U.S.-based program support services to the projects and our sponsors. Fundraising costs to invite new sponsors and donors totaled 2.7 percent of expenses, with the remaining 3.0 percent used to fund general and administrative costs.

CFCA is a 501(c) (3) non-profit corporation, federal EIN: 43-1243999. Contributions are tax deductible as allowed by law unless otherwise noted.

Statement of Activities

For the Year Ended December 31, 2010

PUBLIC SUPPORT & REVENUE		
Sponsorships	$96,892,936	
General Public	10,735,404	
Total Public Support	$107,628,340	
Other Revenue	1,093,481	
Unrealized Gains on Investments	$642,217	
Total Public Support and Revenue	$109,364,038	
EXPENSES		
Program		
Funding to Projects	$93,418,942	(87.1%)
Program Support Services	7,676,534	(7.2%)
Total Program Expenses	$101,095,476	(94.3%)
Fundraising	$2,925,380	(2.7%)
Administration	3,205,834	(3.0%)
Total Supporting Services	$6,131,214	(5.7%)
Total Expenses	$107,226,690	(100.0%)
NET ASSET INCREASE	**$ 2,137,348***	

* Change in Net Assets from Operations	
Advance payments from donors received in 2010 for distribution in 2011	$1,654,558
Net additions/reductions to Board-Designated reserves and property and equipment	$482,790
Total Net Asset Increase	**$2,137,348**

Statement of Financial Position

As of December 31, 2010

ASSETS	
Cash and Cash Equivalents	$11,888,979
Investments	20,893,680
Receivables	101,879
Other Assets	574,863
Property and Equipment, Net	5,108,883
TOTAL ASSETS	**$38,568,284**
LIABILITIES & NET ASSETS	
Accounts Payable and Accrued Expenses	$1,014,033
Annuity Obigation	199,681
TOTAL LIABILITIES	**$1,213,714**
NET ASSETS	
Unrestricted — Board-Designated	
Operating Reserve	$2,349,434
Planned Giving	100,000
Headquarters Building Additions	300,000
Future Capital Equipment	200,000
CASA and Other Software Upgrades	300,000
Program and Scholarship	3,617,525
Investments in Property and Equipment, Net	5,108,883
Total Unrestricted Net Assets	$11,975,842
Temporarily Restricted Net Assets	25,378,728
Total Net Assets	$37,354,570
TOTAL LIABILITIES & NET ASSETS	**$38,568,284**

Note: Each year the independent accounting firm of Deloitte & Touche LLP conducts an audit of CFCA financial statements and accounting practices in accordance with auditing standards generally accepted in the United States of America. A copy of this audit report is available upon request or online at www.hopeforafamily.org.

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HOPE FOR A Sponsorship

With nearly three decades of service to people living in poverty around the world, CFCA continues to evolve to find meaningful ways to make a real difference in the fight against poverty.

In the countries where CFCA works, families living in poverty are struggling heroically against tremendous odds. Hope for a Family sponsorship offers just that – hope – and the opportunity to build a path out of poverty.

CFCA provides families who are struggling essential benefits such as food, clothing and medical care, but our work doesn't end there. In order to end the cycle of poverty, these families need real opportunities to provide their children with a good education, to learn new skills, and to have access to new livelihoods.

CFCA's Hope for a Family sponsorship program is much more than a handout of material goods. In partnership with the families we serve, we're building paths out of poverty every day.

Setting goals, reaching dreams

Hope for a Family sponsored members and their families have personal goals and plans to achieve those goals. Their sponsors are helping them meet those dreams, one step at a time. Take, for instance, Maria Cristina:

Maria Cristina was born 28 years ago in an urban area of Guatemala City, Guatemala. She and her four brothers and sisters grew up in poverty. Her father left the family, leaving her mother to struggle to provide basic necessities for her children.

By all accounts, Maria Cristina should not have graduated from school or successfully completed a medical degree. She should have been one of the 60-plus percent of Guatemalan youth

FAMILY

CREATING REAL CHANGE

who drop out of school by the sixth grade (World Bank education statistics).

But Maria Cristina willed her childhood dreams into reality. She was sponsored through CFCA in fourth grade. By the end of primary school, she had decided she wanted to be a doctor. Through many challenges and adversity, Maria Cristina held tightly to her dream and worked hard to achieve it.

In 2010, Maria Cristina graduated from medical school as a doctor and surgeon. She now works at a home for children and adults, providing medical treatment. She has remained involved with CFCA and serves as an inspiration for sponsored children in the Hope for a Family program.

Maria Cristina shows us how sponsorship changes lives – opening the doors of education, enabling bright youth to reach their potential, and providing a path out of poverty.

Empowering parents to provide for their families

Many CFCA communities around the world have started mothers or parents groups to increase parental participation in the sponsorship program. Believing that parents know best what their families need to create a path out of poverty, local projects seek to engage parents in the sponsorship program decision making.

Women in India have been engaged in mothers groups for 11 years. Over the course of this time, the local staffs have witnessed the strength and ability of the mothers.

The self-directed nature of the groups provides opportunities for mothers to generate ideas and act on them. Mothers define their families' greatest needs, such as educational support, medical assistance or seed money for a small business, and organize to meet those needs with guidance and support from the local CFCA staffs. As a result, the stature of women in communities where CFCA works has been elevated.

One example is Lourdu Mary, a mother in the St. Anthony mothers group in Hyderabad, India. Lourdu Mary wanted to contribute to the support of her household. One of her children has a serious disability.

The group members encouraged Lourdu Mary to use her sewing and embroidery

Mission felt around

CFCA invests in staff, structures and activities to promote long-term relationships. All other programs, such as scholarships and grants, are designed to complement the Hope for a Family sponsorship program.

To ensure prudent stewardship, CFCA projects around the world are monitored carefully to maintain high standards of transparency, accountability and consistency with CFCA policy. We also make regular project visits for detailed review and monitoring of project financial reports and operations. It's all part of our ongoing efforts to responsibly manage the resources entrusted to us.

talents in a sari business. The group loaned her 32,000 rupees ($705) over three years. Lourdu Mary's business exceeded everyone's expectations.

Lourdu Mary said the group gave her confidence and recognized her talents.

"I feel so happy that I am able to take care of my son with a disability and also provide for most other needs of my family, without having to depend entirely on my husband," she said.

All around the world, families are working together and with CFCA, receiving job training, creating loan pools, starting small businesses, and choosing sponsorship benefits. Each step they take brings them further down the path toward freedom and hope of a better life.

As of Dec. 31, 2010, a total of 306,885 children, youth and the aging were sponsored through CFCA in projects in 22 countries.

Africa
Kenya
Liberia
Madagascar
Tanzania
Uganda

Asia
India
Philippines

Caribbean
Dominican Republic
Haiti

Central America and Mexico
Costa Rica
El Salvador
Guatemala
Honduras
Mexico
Nicaragua

South America
Bolivia
Brazil
Chile
Colombia
Ecuador
Peru
Venezuela

Projects in Nigeria and Jamaica closed in 2010.

Third-party organizations verify CFCA uses your dollars wisely

Independent charity evaluators consistently give CFCA high rankings.

The American Institute of Philanthropy, gives CFCA its top rating. The institute awarded CFCA a grade of A+ in its Charity Rating Guide. CFCA was the only child sponsorship organization to receive this rating from AIP.

CFCA has met the 20 rigorous standards established by the Better Business Bureau Wise Giving Alliance. The Alliance said its review includes "comprehensive, in-depth evaluations of the charity's governance, fund-raising practices, solicitations and informational materials, as well as how it spends its money."

Charity Navigator, the nation's largest evaluator of charities, gives CFCA a 3-star rating based on program expenses, administrative expenses, fund-raising expenses and operating efficiency. A 3-star rating means that CFCA exceeds or meets industry standards and performs as well as or better than most charities in our cause.

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Ex-officio member
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Mission Statement

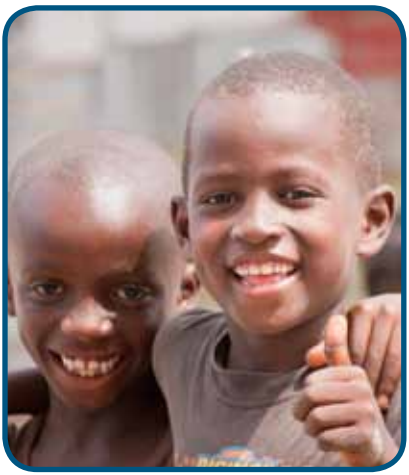
CFCA's mission is to walk with the poor and marginalized of the world.

We provide personal attention and direct benefits to children, youth, aging and their families so they may live with dignity, achieve their desired potential and participate fully in society.

We invite people of good will to live in daily solidarity with the world's poor through one-to-one sponsorship.

We build community by fostering relationships of mutual respect, understanding and support that are culturally diverse, empowering and without religious or other prejudice.

Grounded in the Gospel call to serve the poor, CFCA is a lay Catholic organization working with persons of all faith traditions to create a worldwide community of compassion and service.



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